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SIPDIS

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STATE PASS USTR FOR DOUG BELL
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USDOC ITA/MAC/ANESA FOR DAVID ROTH
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SUBJECT: MOROCCO ECONOMIC HIGHLIGHTS

Poverty Rate Decreases in Morocco

[1](#)1. Ahmed Lahlimi, High Commissioner for Planning announced during an October 4 press briefing on the 2004 census results that the poverty rate in Morocco in 2004 stood at 14.2%, 2.3% lower than in 1994. The census showed improvement in both urban (2.5% decrease) and rural areas (1% decrease). Lahlimi attributed improved drinking water, electricity, and road building programs and the National Initiative for Human Development. Recently, Minister of Social Development Harouchi announced a poverty rate of 13.7% (defined as Moroccans living on less than one dollar per day). Harouchi noted that 25% of Moroccans are on the verge of poverty and nearly 40% could be defined as poor under international standards. Highest percentage is concentrated in the East of the Atlas Mountains.

Safi Port Security Upgrades

[1](#)2. The Port of Safi, Morocco's Atlantic coast 250 kilometers south of Casablanca, completed a USD 600 thousand security upgrade, including a containment wall with 600 meter setback, and new local customs and police posts on site at the port. Khalid Mansour, Safi's Port Director said that a new signaled access point will better control traffic in and out of the port. The next phase of the project - a USD 60 thousand effort to reequip and redesign the fishery harbor at the port - will take place in 2006. More than 600 commercial ships carrying five million tons of cargo and commodities (two thirds for export) are served in Safi each year.

Textile Association Spinning and Weaving

[1](#)3. Karin Tazi, Chief of the Moroccan textile association AMITH said reports of the death of the Moroccan industry have been much exaggerated. "Those who had forecast the collapse of Moroccan textile production" with the end of the Multi-Fibre Accord and the China's WTO accession will be disappointed, he told journalists. Tazi admitted a 10 percent drop in exports in the first quarter of 2005, but optimistically reported that the situation is "redressing itself." AMITH looks forward to a Moroccan government program, expected to be launched on October 17, that will help it be "competitive with its Euro Mediterranean rivals."

Better Late than Never: Land Leases Issued

[1](#)4. Although delayed by several months, over 127,000 acres of state-owned agricultural land was leased in an open auction by government agencies SODEA and SOGETA. According to press reports, selection of the winning private candidates was based on experience, investment plan, number of jobs created and rental value. Over 157 candidates were selected, including 21 of which were foreign. The winning bids include several relatively small Moroccan farmers, well-established large farmers seeking to increase their market share, food processors, agricultural cooperatives and other "reputable" investors. Large concession was awarded to an agro-industrial conglomerate controlled by a prominent Moroccan agricultural family.

Not the Enterprise Center: SME Training Program

15. The Federation of Small and Medium Enterprises signed an agreement with Al Akhawayne University (AUI) this week to establish a training institute for directors of small and medium sized companies. AUI will contribute the facilities of its Casablanca-based Executive Education center. The training sessions will last six to twelve months and cover the entire life cycle of a small company. This announcement corresponds with recent efforts by the GOM to finance and develop (also in collaboration with AUI) a G-8/Broader Middle East and North Africa (BMENA) initiated Center for Entrepreneurial Excellence.

More than Four Million Passengers

16. National carrier Royal Air Maroc (RAM) posted a record volume in the first nine months of 2005. Flagship RAM and its low-cost regional subsidiary Atlas Blue carried over 4.1 million passengers from January through September, a 21 percent increase over the same period in 2004. African routes enjoyed the largest gains, rising 71 percent in terms of passenger numbers. RAM officials proudly note the sixteen additional destinations added during 2005. Embassies note that Morocco is a steadfast Boeing client: RAM has only a few Airbus aircraft in its fleet, Atlas Blue flies exclusively Boeing planes.

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